

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

UNITED STATES OF AMERICA

v.

Approximately \$499,999.00 in Funds seized
from Bank of America Account
XXXXXXXXXX3200, such account held in the
name of Valur Holding LLC

CASE NO. 4:24-cv-00563

NOW COMES the United States of America, Plaintiff herein, by and through
Damien M. Diggs, United States Attorney for the Eastern District of Texas, in a
civil cause of forfeiture, and respectfully states the following:

INTRODUCTION

1. This is a civil action *in rem* pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C).
Procedures for this action are mandated by Rule G of the Supplemental Rules for
Admiralty or Maritime Claims and Asset Forfeiture Actions and, to the extent
applicable, 18 U.S.C. §§ 981, 983, and 984, and the Federal Rules of Civil
Procedure.

2. This action seeks the forfeiture of all right, title, and interest in the above-
captioned \$499,999.00 in funds seized from Bank of America Account
XXXXXXXXXX3200, such account held in the name of Valur Holding LLC; such
account held by or for the benefit of, or in the names of Nan Gang and Kenji

Toumi (hereinafter, “Defendant Property”). The Defendant Property constitutes or is derived from proceeds of wire fraud in violation of 18 U.S.C. § 1343, and property involved in monetary transactions and a money laundering conspiracy in violation of 18 U.S.C. §§ 1957 and 1956(h).

3. This Court has jurisdiction over this action commenced by the United States under 28 U.S.C. § 1345 and over this action for forfeiture under 28 U.S.C. § 1355(a). The Court has *in rem* jurisdiction over the defendant property under 28 U.S.C. § 1355(b).

4. This Court has venue pursuant to 28 U.S.C. §§ 1355 and 1395. Venue is proper because the acts or omissions giving rise to the forfeiture occurred in this district and the defendant property was found in this district.

5. As set forth more fully below, the Defendant Property was derived from investment scams perpetrated on United States’ residents. The victims are often elderly and vulnerable seeking companionship online, which the fraudsters dubiously provided. After the fraudsters gained the trust of the victims, the fraudsters duped the victims into wiring money to various accounts, including the business account of Valur Holding LLC. Special Agent Newman has traced money from victims, who he has interviewed, into the accounts of Valur Holding LLC. Thereafter, funds are moved from the Valur Holdings account to other business accounts in, among other places, China, that suggest that the funds

identified for seizure herein may be involved in a form of trade-based money laundering.¹

6. On or about January 25, 2024, the United States Secret Service (“USSS”), in conjunction with the Plano Police Department, acting pursuant to a state Warrant (S380-240125-7PPD), seized the Defendant Property in the Eastern District of Texas. The United States Secret Service is currently holding the Funds.

7. Pursuant to Supplemental Rule G(2)(f), facts in support of a reasonable belief that the Government will be able to meet its burden of proof at trial are set forth more fully as follows and have been verified by the attached Verification of USSS Special Agent Adam Newman.

The Fraud Scheme

8. Since December 2023, the United States Secret Service (USSS), Dallas Field Office (DAL), has been investigating a criminal money laundering syndicate operating various cryptocurrency investment scams. Often the unknown scammers promote spoofed domains and websites purporting to look like legitimate platforms to U.S. based victims. Scammers then fool victims into "investing" through these fraudulent investment platforms, which instead allow the scammers to steal the victims' money. Numerous bank accounts for businesses have been

¹ “[T]rade-based money laundering is defined as the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimize their illicit origins.” Financial Action Task Force, *Trade-Based Money Laundering* (June 23, 2006), available at <https://www.fatf-gafi.org/publications/methodsandtrends/documents/trade-basedmoneylaundering.html>.

identified as receiving funds derived either directly or indirectly from fraud victims.

9. Based on the information provided, it appears that the victims are involved in a fraudulent scheme known as "Pig Butchering." Pig Butchering is a type of romance scam, or confidence scam, that convinces victims to invest in non-existent cryptocurrency trading platforms. Romance scams target persons looking for romantic partners or friendships on dating websites and other social media platforms. The scammers may create profiles using fictitious or fake names, locations, images, and personas, allowing the scammers to cultivate relationships with prospective romance scam victims. Romance scams aim to use the fictitious relationship to obtain money or induce victims to conduct financial transaction(s) on behalf of the scammers.

10. The first such case of this investment scam was discovered through an Internet Criminal Complaint Center (IC3) report of a local resident On November 29, 2023. Throughout the investigation USSS Special Agent (SA) Adam Newman has identified multiple accounts who have received proceeds of these investment scams through additional IC3 reports and victims who stated they sent funds to multiple different bank accounts under the impression they are investing into cryptocurrency. While investigating an account which received cryptocurrency investment fraud proceeds, in the name Lingling Beauty Studio LLC, a victim provided additional information indicating that Valur Holding LLC was also

involved. Thereafter, law enforcement opened an investigation into Valur Holding LLC which has progressed in pertinent parts as follows:

Investigation of Valur Holding LLC

11. First, Special Agent Newman found information that Valur Holding LLC is based in California. Specifically, a query through the California Secretary of State website revealed that Valur Holding LLC was filed as a domestic LLC on June 6, 2019, by Wan Lan Hew. The documents available on the website listed a business address of 4941 Santa Anita Avenue, Temple City, CA. On October 10, 2023, an address change was filed. The new address was reported to be 18513 East Gale Avenue, City of Industry, CA. Additionally, the document stated the business type to be a retail store – consumer goods. On December 15, 2023, a new document was filed with the California Secretary of State listing a new manager/agent – Kenji Toumi, who is one of the listed account holders of the account which was seized.

12. Second, Special Agent Newman contacted Bank of America and was advised the account was under review for potential fraud based on a claim filed by an individual who had submitted a wire. Additionally, Bank of America reported the account appeared to be being used to funnel funds, essentially the funds were quickly transferred out of the account after they were received. Furthermore, Special Agent Newman was provided the account holder information. There are

two listed parties with access to the account, the primary Kenji Toumi and the secondary Nan Gang.

13. Third, Special Agent Newman obtained records for account XXXXXXXX3200, Valur Holding LLC, held by Bank of America. During November 2023, the account received 53 deposits amounting to \$672,732.70. These deposits consisted primarily of Wire Transfers and Online Banking Transfers which appear to be from other business accounts, primarily Kaizen Ventures. There were no wire transfers from individuals. There were six Zelle payments that appear to be from individuals, but these deposits were for less than \$100 each. A review of the \$689,158.94 in withdrawals revealed most of the funds were transferred to bank accounts held in foreign countries. However, there were a few transactions that appear to be for payroll and/or taxes which could indicate some legitimate activity. During December 2023, the account received 107 deposits amounting to \$3,310,177.60, nearly a 400% increase. These deposits consisted primarily of Wire Transfers and Online Banking Transfers. Of the 60 wires received, totaling \$3,064,339.66, seven appear to be from business accounts, the remaining are from individuals. All but two of the wires were for whole dollar amounts which is unusual for a business conducting legitimate sales. The account received 32 Zelles from individuals, all for less than \$100 each. The account conducted \$2,592,517.15 in withdrawals. Approximately \$1,891,000.00 was withdrawn via wire transfer and submitted to accounts held in foreign countries.

There were a few withdrawals that appear to be for payroll and taxes which could indicate some legitimate activity.

Interviews of Victims

14. To date, Special Agent Newman has been able to identify and telephonically interview eight individuals, who preliminary analysis suggests are victims, whose accounts have provided at least \$511,000.00 in deposits into account XXXXXXXX3200. All those interviewed stated that they were victims of fraud related to various investment schemes related to cryptocurrency and spot-gold trading.

Example of USSS Victim Interviews

15. For example, Special Agent Newman contacted S.S. (Victim 1) regarding a wire made to Lingling Beauty Studio INC. S.S. stated he thought he was investing in Coinbase and submitted wires to intermediaries to be deposited into his account. S.S. said he thought it strange that he was directed to send funds to different accounts when he made an investment. He stated his communications with Coinbase was conducted via WhatsApp. S.S. stated on December 5, 2023, he sent a wire in the amount of \$25,000.00 to JPMorgan Chase Bank account number XXXXX6716 in the name of Lingling Beauty Studio INC. S.S. believes the wires he submitted are in his Coinbase investment account. S.S. provided information on two additional wires, one submitted to Lonestar Group LLC's Bank of America account in the amount of \$22,000.00 and the other to Bank of America account

number XXXXXXXX3200 in the name of Valur Holding LLC in the amount of \$45,000.00.

16. Special Agent Newman also contacted P.A. (Victim 2) regarding a \$60,000.00 wire made to Valur Holding LLC made on December 22, 2023. P.A. stated he is a victim of a fraud scheme and had recently reported it. P.A. said he was contacted by an individual, Chris Mace, via social media. They eventually switched to communicating through WhatsApp and discussed investments. P.A. stated he was directed to what he believed was a JPMorgan Chase Bank investment group website. After significant investments he was contacted by customer service and told his account was locked due to an international task force accusing him of money laundering. P.A. stated he was asked for additional funds to prove he was not laundering money. He became suspicious and noticed the email was not a true JP Morgan Chase Bank address. P.A. stated he has suffered a loss of \$104,000.00.

17. Special Agent Newman also contacted M.H. (Victim 3) regarding a wire submitted to Valur Holding LLC. M.H. reported being contacted via social media by a woman named Libby Collins. A friendship began and they started communicating via WhatsApp. M.H. stated she got him involved with NFT bidding; this involves bidding on artwork for profit. M.H. stated this scam has cost him his entire IRA. M.H. reported conducting three wires for a total of \$161,000.00. This includes a wire to Bank of America account number

XXXXXXXXX3200 in the name of Valur Holding LLC on December 18, 2023, in the amount of \$80,000.00.

18. Special Agent Newman contacted M.S. (Victim 4) regarding a wire transaction made to Valur Holdings LLC. M.S. stated she met a man, Rosen Smith, online through a dating app. After a time, they began to communicate through WhatsApp, and he taught her about investing in crypto. M.S. stated she downloaded apps through Playstore which led to her believing it was all legit. M.S. stated she was convinced to quit her job to access her retirement funds to invest into this fraud. M.S. stated she wired \$50,000.00 to Bank of America account number XXXXXXXXX3200 in the name of Valur Holding LLC.

19. Special Agent Newman contacted B.S. (Victim 5) regarding a wire transaction made to Valur Holding LLC. Saunders stated the wire was a for 12% security deposit to a company that was assisting him in recovering funds confiscated by the Swiss government. B.S. stated he received a random text message last year that ultimately led to him investing \$263,000 into crypto. He believed his investment grew to be valued at \$875,000. When he attempted to make a withdrawal, he was unable to and was told the money had been confiscated. B.S. believed he had hired an attorney to assist him retrieve his funds. He never met this attorney and communicated via WhatsApp. This attorney was supposedly working with a group overseas to recover the funds. B.S. was directed to submit retainer fees to Royal Chronos Limited and Legendel INC, both

companies are suspects in case 337-763-5814. B.S. was later directed to wire \$85,000 to Valur Holding LLC.

20. Special Agent Newman contacted M.L. (Victim 6) regarding a \$105,000 wire transfer to Valur Holding LLC. M.L. stated he was a victim of an investment fraud involving CoinSmartEx.net. M.L. stated when he attempted to make a withdrawal, he was told he must pay a \$10,000 commission, which he did, then he was told his account was under investigation by the authorities and he needed to pay \$10,000 to settle the matter. M.L. stated he paid the investigation fee and was again asked to pay another \$10,000 fee. M.L. stated he knew he was being scammed and filed a complaint on SCAMAdvisor.com. He said there are numerous complaints filed about CoinSmartEx.net on the site. M.L. stated when submitting his funds to CoinSmartEX he was given various bank accounts and told to submit the funds within a two-hour window.

21. Special Agent Newman contacted D.B. (Victim 7) regarding a \$75,000 wire transfer to Valur Holding LLC. D.B. stated he received a random text message on his phone from a woman he knows as Amiee Taylor. He believes she is originally from Moscow but lives in Los Angeles, CA. Their communications quickly moved to WhatsApp and investment opportunities into spot-gold trading. D.B. stated Amiee walked him through making trades and provided him “inside leads” from her finance guru uncle. D.B. stated he made several deposits into his investment account. D.B. stated he was provided multiple business accounts to

transfer his funds to and was told the accounts were only good for 2-4 hours. D.B. stated it was strange they were always rushing him. D.B. stated when he attempted to make a withdrawal, he was asked what he was doing and told he would need to make a new deposit first. D.B. provided additional information regarding a \$42,000.00 deposit to JPMorgan Chase account held by Qishen Trading Limited. The Qishen Trading Limited account was seized on or about January 4, 2024, by the United States Secret Service pursuant to a freeze letter. A federal Seizure Warrant (Northern District of Texas Case 1:24-mj-14-BU) was completed on March 27, 2024.

CONCLUSION

22. By virtue of the foregoing and pursuant to 18 U.S.C. § 981(f), all right, title, and interest in the Funds vested in the United States at the time of the commission of the unlawful act giving rise to forfeiture and has become and is forfeitable to the United States.

WHEREFORE, the United States of America respectfully prays the Court that:

23. Due notice be given to all parties to appear and show cause why the forfeiture should not be decreed;

24. Judgment be entered declaring the Funds to be condemned and forfeited to the United States of America for disposition according to law; and

25. The United States be granted such other and further relief as this Court may deem just and proper, together with the costs and disbursements of this action, including but not limited to the expenses of maintenance and protection of the Defendant Property as required by 28 U.S.C. § 1921.

27. Previously listed victims may go through the remission process to pursue recovery of funds.

POTENTIAL CLAIMANTS

26. Potential claimants to the Defendant Property may include:

Valur Holdings LLC – Kenji Toumi – 18513 East Gale Avenue, City of Industry, CA 91748.

Respectfully submitted, this the 20th day of June, 2024.

DAMIEN M. DIGGS
UNITED STATES ATTORNEY

/s/ Kevin McClendon

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ATTORNEYS FOR PLAINTIFF

VERIFICATION

I, Adam Newman, hereby state that:

1. I am a Special Agent with the United States Secret Service.
2. I have read this Complaint, and the information contained herein is true and correct to the best of my knowledge.
3. The information contained in this Complaint comes from the official files and records of the United States, statements from other law enforcement officers, and my investigation of this case.

I state and verify under penalty of perjury that the foregoing is true and correct.

Executed on 18 day of June, 2024.



Adam Newman
USSS Special Agent